

Chart 6

W. R. Grace & Co. - Conn
Accounts Receivable Reconciliation and Aging
MOR-5
October 2003

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ 108,326,584
Amounts billed during the period	81,788,537
Amounts collected during the period	(77,589,010)
Other	4,305,665
Trade accounts receivable at the end of month, gross	\$ 116,831,776
Trade Accounts Receivable Aging	
Current	\$ 85,580,466
1-30 days past due	23,392,311
31-60 days past due	6,983,445
+61 days past due	875,554
Trade accounts receivable, gross	116,831,776
Allowance for doubtful accounts	(819,062)
Trade accounts receivable, net	\$ 116,012,714

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ 116,012,714
Customer notes and drafts receivable	881,091
Pending customer credit notes	(28,979)
Advances and deposits	5,500,774
Nontrade receivables, net	1,027,510
Total notes and accounts receivable, net	\$ 123,393,110

Chart 6

Remedium Group, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
October 2003

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

Trade Accounts Receivable Aging

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	23,965
Total notes and accounts receivable, net	\$ 23,965

Chart 6

Darex Puerto Rico, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
October 2003

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ 2,964,944
Amounts billed during the period	785,599
Amounts collected during the period	(375,184)
Other	(259,134)
Trade accounts receivable at the end of month, gross	\$ 3,116,225

Trade Accounts Receivable Aging

Current	\$ 2,120,435
1-30 days past due	411,805
31-60 days past due	498,423
+61 days past due	85,562
Trade accounts receivable, gross	3,116,225
Allowance for doubtful accounts	(37,625)
Trade accounts receivable, net	\$ 3,078,600

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ 3,078,600
Customer notes and drafts receivable	-
Pending customer credit notes	333
Advances and deposits	-
Nontrade receivables, net	3,147
Total notes and accounts receivable, net	\$ 3,082,080

Chart 6

Grace Europe, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
October 2003

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

Trade Accounts Receivable Aging

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	86,095
Total notes and accounts receivable, net	\$ 86,095

Chart 7

W.R. Grace & Co., et al Debtor Questionnaire MOR - 5 October 2003		
	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide and explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

Note #5

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds

Combined Chapter 11 Filing Entity Statements

Chart 8

Amounts in millions	W. R. Grace & Co. - Chapter 11 Filing Entities Combined Statement of Operations			
	Month Ended October 31,		Ten Months Ended October 31,	
	2003	2002	2003	2002
Net sales to third parties	\$ 82.6	\$ 75.8	\$ 706.2	\$ 719.1
Net sales to non-filing entities	19.2	10.6	157.2	113.5
Interest and royalties from non-filing entities	4.8	2.7	39.7	34.5
Other income	-	0.4	9.4	15.2
	106.6	89.5	912.5	882.3
Cost of goods sold to third parties	52.3	47.4	472.0	447.6
Cost of goods sold to non-filing entities	15.4	7.7	121.3	81.7
Selling, general and administrative expenses	18.9	19.7	184.7	181.3
Depreciation and amortization	4.8	5.1	51.0	50.9
Research and development expenses	2.5	4.0	32.1	35.5
Net Pension expense	3.7	1.8	39.7	18.0
Interest expense	1.3	1.6	13.5	16.4
Provision for environmental remediation	-	-	52.5	19.2
	98.9	87.3	966.8	850.6
Income (loss) before Chapter 11 expenses, income taxes and equity in net income of non-filing entities	7.7	2.2	(54.3)	31.7
Chapter 11 expenses, net	(1.6)	(5.0)	(13.3)	(26.4)
Provision for income taxes	(1.2)	1.1	5.0	(18.7)
Equity in net income of non-filing entities	8.7	4.5	70.5	63.8
Net Income	\$ 13.6	\$ 2.8	\$ 7.9	\$ 50.4

The Notes to Combined Financial Statements are an integral part of these statements.

Chart 9

W. R. Grace & Co. - Chapter 11 Filing Entities			
Combined Functional Basis Statement of Cash Flows			
<i>Amounts in millions</i>	Month Ended October 31, 2003	Ten Months Ended October 31, 2003	
Core operations cash flow			
Pre-tax income from core operations	\$ 11.5	\$ 30.0	
Depreciation and amortization	4.8	51.0	
Contributions to defined benefit pension plans	16.3	81.0	
Cash received from Non-Filing entity operating loans	(15.7)	(48.5)	
Cash received from Non-Filing entity investment	-	83.4	
Changes in all core assets/liabilities and other	-	24.0	
	(4.6)	1.6	
Capital expenditures		(4.0)	141.5
		(3.3)	(47.7)
Core Pre-tax Operating Cash Flow		(7.3)	93.8
Charges against core reserves			
Pension liabilities	(0.3)	(3.6)	
Deferred compensation	-	(0.7)	
Self insurance	-	(1.2)	
Total Spending Against Core Reserves		(0.3)	(5.5)
Core Cash Flow		(7.6)	88.3
Noncore cash flow			
Proceeds from asset sales	-	3.5	
Benefit proceeds under life insurance policies	1.7	11.7	
Other noncore pretax cash flow	(0.4)	(4.1)	
Noncore Pre-tax Cash Flow		1.3	11.1
Charges against noncore reserves			
Asbestos			
Asbestos claims processing	(0.8)	(8.9)	
Less - insurance recovery	1.9	12.9	
Net asbestos (payments)	1.1	4.0	
Environmental remediation	(1.1)	(10.2)	
Retained obligations and other	(0.1)	(1.3)	
Postretirement benefits	(1.7)	(10.5)	
Total Spending Against Noncore Reserves		(1.8)	(18.0)
Noncore Cash Flow		(0.5)	(6.9)
Total Pre-tax/Pre-Interest/Pre-Chapter 11 Cash Flow		(8.1)	81.4
Cash paid for taxes, net of refunds	(0.8)	3.4	
Cash paid for interest	(0.1)	(3.4)	
Chapter 11 reorganization expenses paid	(0.5)	(14.9)	
Cash Flow before Strategic Investments		(9.5)	66.5
Strategic Investments			
Cash paid for businesses acquired	-	-	
Cash used for Strategic Investments		-	-
Cash Flow after Strategic Investments		(9.5)	66.5
Repayments under DIP facility	(0.2)	(3.5)	
Net (investing)/financing activities under life insurance policies	(0.5)	(14.5)	
Net Cash Flow	\$ (10.2)	\$ 48.5	

The Notes to Combined Financial Statements are an integral part of these statements.

Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities Combined Balance Sheet			
	October 31, 2003	December 31, 2002	April 2, 2001
Amounts in millions			
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 95.1	\$ 56.8	\$ 8.6
Accounts and other receivables, net	126.6	114.7	43.8
Receivables from non-filing entities, net	51.0	43.4	51.2
Inventories	82.8	70.5	80.6
Deferred income taxes	35.3	22.2	80.9
Asbestos-related insurance expected to be realized within one year	-	-	17.0
Other current assets	25.1	30.8	21.9
Total Current Assets	415.9	338.4	304.0
Properties and equipment, net	385.0	389.7	400.4
Goodwill	14.5	14.5	13.6
Cash value of life insurance policies, net of policy loans	89.2	82.4	64.1
Deferred income taxes	565.5	567.0	401.0
Asbestos-related insurance expected to be realized after one year	269.7	282.6	323.4
Loans receivable from non-filing entities, net	422.6	444.4	387.5
Investment in non-filing entities	282.4	244.7	121.0
Other assets	89.0	77.7	308.5
Total Assets	\$ 2,533.8	\$ 2,441.4	\$ 2,323.5
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Liabilities Not Subject to Compromise			
Current Liabilities			
Debt payable within one year	\$ -	-	-
Accounts payable	45.2	41.4	-
Income Taxes Payable	5.0	5.0	-
Other current liabilities	48.4	52.9	-
Total Current Liabilities	98.6	99.3	-
Debt payable after one year	-	-	-
Other liabilities	204.1	229.6	31.8
Total Liabilities Not Subject to Compromise	302.7	328.9	31.8
Liabilities Subject to Compromise			
Debt, pre-petition plus accrued interest	548.4	538.8	511.5
Accounts payable	32.2	32.4	43.0
Income taxes payable	236.5	227.8	210.1
Asbestos-related liability	963.8	973.2	1,002.8
Other liabilities	598.6	562.5	598.6
Total Liabilities Subject to Compromise	2,379.5	2,334.7	2,366.0
Total Liabilities	2,682.2	2,663.6	2,397.8
Shareholders' Equity (Deficit)			
Common stock	0.8	0.8	0.8
Paid in capital	432.1	433.0	432.6
Accumulated deficit	(107.8)	(115.7)	(201.8)
Treasury stock, at cost	(135.9)	(137.0)	(136.4)
Accumulated other comprehensive income (loss)	(337.6)	(403.3)	(169.5)
Total Shareholders' Deficit	(148.4)	(222.2)	(74.3)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,533.8	\$ 2,441.4	\$ 2,323.5

The Notes to Combined Financial Statements are an integral part of these statements.

W. R. Grace & Co.
Notes to Combined Financial Statements
October 31, 2003

1. Basis of Presentation and Summary of Significant Accounting and Financial Reporting Policies

W. R. Grace & Co., through its subsidiaries, is engaged in specialty chemicals and specialty materials businesses on a worldwide basis. These businesses consist of catalyst and silica products ("Davison Chemicals") and construction chemicals, building materials and sealants and coatings ("Performance Chemicals").

W. R. Grace & Co. conducts substantially all of its business through a direct, wholly owned subsidiary, W. R. Grace & Co.-Conn. ("Grace-Conn."). Grace-Conn. owns substantially all of the assets, properties and rights of W. R. Grace & Co., either directly or through subsidiaries.

As used in these notes, the term "Company" refers to W. R. Grace & Co. The term "Grace" refers to the Company and/or one or more of its subsidiaries and, in certain cases, their respective predecessors.

VOLUNTARY BANKRUPTCY FILING

In response to a sharply increasing number of asbestos-related bodily injury claims, on April 2, 2001 (the "Filing Date"), W. R. Grace & Co. and 61 of its United States subsidiaries and affiliates, including Grace-Conn. (collectively, the "Debtors"), filed voluntary petitions for reorganization (the "Filing") under Chapter 11 of the United States Bankruptcy Code ("Chapter 11" or the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The cases were consolidated and are being jointly administered under case number 01-01139 (the "Chapter 11 Cases"). Grace's non-U.S. subsidiaries and certain of its U.S. subsidiaries were not included in the Filing.

During 2000 and the first quarter of 2001, Grace experienced several adverse developments in its asbestos-related litigation, including: a significant increase in bodily injury claims, higher than expected costs to resolve bodily injury and certain property damage claims, and class action lawsuits alleging damages from a former attic insulation product. After a thorough review of these

developments, the Board of Directors of Grace concluded on April 2, 2001 that a federal court-supervised Chapter 11 process provided the best forum available to achieve predictability and fairness in the claims settlement process.

By filing under Chapter 11, Grace expects to be able to both obtain a comprehensive resolution of the claims against it and preserve the inherent value of its businesses. Under Chapter 11, the Debtors expect to continue to operate their businesses as debtors-in-possession under court protection from their creditors and claimants, while using the Chapter 11 process to develop and implement a plan for addressing the asbestos-related claims against them.

Consequence of Filing – As a consequence of the Filing, pending litigation against the Debtors for pre-petition matters is generally stayed (subject to certain exceptions in the case of governmental authorities), and no party may take action to realize its pre-petition claims except pursuant to an order of the Bankruptcy Court.

The Debtors intend to address all of their pending and future asbestos-related claims and all other pre-petition claims in a plan of reorganization. Such a plan of reorganization may include the establishment of a trust through which all pending and future asbestos-related claims would be channeled for resolution. However, it is currently impossible to predict with any degree of certainty the amount that would be required to be contributed to the trust, how the trust would be funded, how other pre-petition claims would be treated or what impact any reorganization plan may have on the shares of common stock of the Company. The interests of the Company's shareholders could be substantially diluted or cancelled under a plan of reorganization. The formulation and implementation of the plan of reorganization is expected to take a significant period of time.

Status of Chapter 11 Proceedings – Since the Filing, all motions necessary to conduct normal business activities have been approved by the Bankruptcy Court. In addition, the Debtors have received approval from the Bankruptcy Court to pay or otherwise honor certain of its pre-petition obligations in the ordinary course of business,

including employee wages and benefits, customer programs, shipping charges, and a limited amount of claims of essential trade creditors.

As provided by the Bankruptcy Code, the Debtors had the exclusive right to propose a plan of reorganization for a 120-day period following the Filing Date. The Debtors have received extensions of their exclusivity period during which to file a plan of reorganization through February 1, 2004, and extensions of the Debtors' exclusive rights to solicit acceptances of a reorganization plan through April 1, 2004.

Three creditors' committees, two representing asbestos claimants and the third representing other unsecured creditors, and a committee representing shareholders have been appointed in the Chapter 11 Cases. These committees will have the right to be heard on all matters that come before the Bankruptcy Court and, together with a legal representative of future asbestos claimants (whom Grace expects to be appointed by the Bankruptcy Court in the future), are likely to play important roles in the Chapter 11 Cases. The Debtors are required to bear certain of the committees' and the future asbestos claimants representative's costs and expenses, including those of their counsel and financial advisors.

The Debtors' Chapter 11 cases have been assigned to Judge Alfred M. Wolin, a senior federal judge who sits in Newark, New Jersey. Judge Wolin is presiding over asbestos bodily injury matters and the fraudulent conveyance litigation described below. He has assigned the Debtors' other bankruptcy matters to Judge Judith Fitzgerald, a U.S. bankruptcy judge from the Western District of Pennsylvania, sitting in Wilmington, Delaware.

Claims Filings – The Bankruptcy Court established a bar date of March 31, 2003 for claims of general unsecured creditors, asbestos-related property damage claims and medical monitoring claims related to asbestos. The bar date did not apply to asbestos-related bodily injury claims or claims related to Zonolite® attic insulation ("ZAI"), which will be dealt with separately.

Approximately 15,000 proofs of claim were filed by the bar date. Of these claims, approximately 10,000 were non-asbestos related, approximately 4,000 were for asbestos-related property damage, and

approximately 1,000 were for medical monitoring. In addition, approximately 400 proofs of claim were filed after the bar date. The discussion below refers to claims filed before the bar date.

Approximately 7,000 of the 10,000 non-asbestos related claims involve claims by employees or former employees for future retirement benefits such as pension and retiree medical coverage. Grace views these claims as contingent and does not plan to address them until a later date in the Chapter 11 Cases. The other non-asbestos related claims include claims for payment for goods and services; taxes; product warranties; principal plus interest under pre-petition credit facilities; amounts due under leases; contracts rejected in the Bankruptcy Court; environmental remediation; indemnification or contribution from actual or potential co-defendants in asbestos-related and other litigation; pending non-asbestos related litigation; and non-asbestos related personal injury.

The Debtors' preliminary analysis indicated that many claims are duplicates, represent the same claim filed against more than one of the Debtors, lack any supporting documentation, or provide insufficient supporting documentation. As of September 30, 2003, the Debtors had filed with the Bankruptcy Court approximately 1,100 objections with respect to such claims, most of which were non-substantive (duplicates, no supporting documentation, late filed claims, etc.). The Debtors expect to file a substantial number of additional objections, most of which will be substantive, as analysis and evaluation of the claims progresses.

As claims are resolved, Grace will make adjustments to the liabilities recorded on its financial statements as appropriate. Any such adjustments could be material to the Company's consolidated financial position and results of operations. Because of the uncertainties of the Chapter 11 process, the in-progress state of the Debtors' investigation of submitted claims, and the lack of documentation submitted in support of many claims, Grace, at this time, is not able to estimate the value of the claims that may ultimately be determined and allowed by the Bankruptcy Court.

Litigation Proceedings in Bankruptcy Court – In July 2002, the Bankruptcy Court approved special counsel to represent the ZAI claimants, at the

Debtors' expense, in a proceeding to determine certain threshold scientific issues regarding ZAI. The court has set a litigation schedule that would result in pretrial hearings on these issues in February of 2004.

On November 29, 2002, Sealed Air Corporation ("Sealed Air") and Fresenius Medical Care AG ("Fresenius") each announced that they had reached agreements in principle with the Official Committee of Asbestos Personal Injury Claimants and the Official Committee of Asbestos Property Damage Claimants to settle asbestos and fraudulent conveyance claims related to the 1998 transaction involving Grace's former packaging business and Sealed Air, and the 1996 transaction involving Grace's former medical care business and Fresenius, respectively. Under the terms of the Fresenius settlement, as subsequently revised and subject to certain conditions, Fresenius would contribute \$115.0 million to the Grace estate. In July 2003, the Fresenius settlement was approved by the Bankruptcy Court. Under the terms of the proposed Sealed Air settlement, Sealed Air would make a payment of \$512.5 million (plus interest at 5.5% per annum, commencing on December 21, 2002) and nine million shares of Sealed Air common stock, valued at \$479.1 million as of October 31, 2003, as directed by the Bankruptcy Court upon confirmation of Grace's plan of reorganization. The Sealed Air settlement remains subject to the approval of the Bankruptcy Court and the fulfillment of specified conditions. Grace is unable to predict how these settlements may ultimately affect its plan of reorganization.

Impact on Debt Capital – All of the Debtors' pre-petition debt is in default due to the Filing. The accompanying Consolidated Balance Sheet as of October 31, 2003 reflects the classification of the Debtors' pre-petition debt within "liabilities subject to compromise."

The Debtors have entered into a debtor-in-possession post-petition loan and security agreement with Bank of America, N. A. (the "DIP facility") in the aggregate amount of \$250 million. The term of the DIP facility, originally set to expire April 1, 2003, has been extended for up to an additional three years through April 1, 2006.

Accounting Impact – The accompanying Consolidated Financial Statements have been prepared in accordance with Statement of Position 90-7 ("SOP 90-7"), "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," promulgated by the American Institute of Certified Public Accountants. SOP 90-7 requires that financial statements of debtors-in-possession be prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the ordinary course of business. However, as a result of the Filing, the realization of certain Debtors' assets and the liquidation of certain Debtors' liabilities are subject to significant uncertainty. While operating as debtors-in-possession, the Debtors may sell or otherwise dispose of assets and liquidate or settle liabilities for amounts other than those reflected in the Consolidated Financial Statements. Further, a plan of reorganization could materially change the amounts and classifications reported in the Consolidated Financial Statements, which do not currently give effect to any adjustments to the carrying value or classification of assets or liabilities that might be necessary as a consequence of a plan of reorganization.

Pursuant to SOP 90-7, Grace's pre-petition liabilities that are subject to compromise are required to be reported separately on the balance sheet at an estimate of the amount that will ultimately be allowed by the Bankruptcy Court. As of October 31, 2003, such pre-petition liabilities include fixed obligations (such as debt and contractual commitments), as well as estimates of costs related to contingent liabilities (such as asbestos-related litigation, environmental remediation, and other claims). The recorded amounts of such liabilities generally reflect accounting measurements as of the Filing Date, adjusted as warranted for changes in facts and circumstances and/or rulings under Grace's Chapter 11 proceedings subsequent to the Filing. (See Note 3 to the Consolidated Financial Statements for detail of the liabilities subject to compromise as of October 31, 2003, and December 31, 2002.) Obligations of Grace subsidiaries not covered by the Filing continue to be classified on the Consolidated Balance Sheet based upon maturity dates or the expected dates of payment. SOP 90-7 also requires separate reporting of certain expenses, realized gains and losses, and provisions for losses related to the Filing as reorganization items.

Basis of Presentation

The interim Combined Financial Statements presented herein represent the results of operations, cash flows and financial position of the Debtors. These financial statements pertain to periods beginning with, and subsequent to, the Filing Date and have been prepared in conformity with requirements of the Bankruptcy Court. Consequently, these financial statements do not purport to present the financial performance of W. R. Grace & Co. in conformity with generally accepted accounting principles which would require the consolidation of all controlled subsidiaries and more extensive notes and analysis related to the worldwide operations of W. R. Grace & Co. Financial activity of non-Debtor entities is not presented herein. However, all non-Debtor entities are either directly or indirectly controlled by the Debtors and, accordingly, non-Debtor financial results are reflected under the equity method of accounting. These financial statements are unaudited and should be read in conjunction with the consolidated financial statements presented in W. R. Grace & Co.'s 2002 Form 10-K and, when filed, its 2003 Form 10-K and other periodic filings with the U.S. Securities and Exchange Commission.

These interim Consolidated Financial Statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the interim periods presented under generally accepted accounting principles; all such adjustments are of a normal recurring nature. All significant inter-Debtor accounts and transactions have been eliminated. Transactions and balances with non-Debtor entities are separately disclosed. Certain amounts in prior years' Consolidated Financial Statements have been reclassified to conform to the 2003 presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principals requires that management make estimates and assumptions affecting the assets and liabilities reported at the date of the Consolidated Financial Statements, and the revenues and expenses reported for the periods presented. Actual amounts could differ from those estimates. Changes in estimates are recorded in the period identified. Grace's accounting measurements that are most affected by management's estimates of future events are:

- Contingent liabilities such as asbestos-related matters, environmental remediation, income taxes and retained obligations of divested businesses.
- Pension and post-retirement liabilities that depend on assumptions regarding discount rates and/or total returns on invested funds.
- Depreciation and amortization periods for long-lived assets, including property and equipment, intangible, and other assets.
- Realization values of various assets such as trade receivables, inventories, insurance receivables, income taxes, and goodwill.

The accuracy of these and other estimates may also be materially affected by the uncertainties arising under the Chapter 11 Cases.

2. Chapter 11 Related Financial Information

As a result of the Filing, Grace's Consolidated Balance Sheet separately identifies the liabilities that are "subject to compromise" as a result of the Chapter 11 proceedings. In Grace's case, "liabilities subject to compromise" represent pre-petition liabilities as determined under U.S. generally accepted accounting principles. Changes to the recorded amount of such liabilities will be based on developments in the Chapter 11 Cases and management's assessment of the claim amounts that will ultimately be allowed by the Bankruptcy Court. Changes to pre-petition liabilities subsequent to the Filing Date reflect: 1) cash payments under approved court orders; 2) the accrual of interest on pre-petition debt at the pre-petition contractual rate; 3) accruals for employee-related programs; and 4) changes in estimates related to pre-petition contingent liabilities and assets.

Set forth below is a reconciliation of the changes in pre-filing date liability balances for the period from the Filing Date through October 31, 2003.

<i>(Dollars in millions)</i>	<i>Current Month</i>	<i>Cumulative Since Filing</i>
Balance, beginning of period	\$ 2,385.1	\$ 2,366.0
Cash disbursements and/or reclassifications under bankruptcy court orders:		
Freight and distribution order ...	-	(5.7)
Trade accounts payable order ...	-	(9.1)
Other court orders including employee wages and benefits, sales and use tax and customer programs	(6.2)	(174.1)
Expense/(income) items:		
Interest on pre-petition debt	0.9	44.9
Current period employment-related accruals	(0.4)	25.4
Change in estimate of environmental contingencies	-	129.0
Change in estimate of income tax contingencies	--	26.7
Balance sheet reclassifications	0.1	(23.6)
Balance, end of period	\$ 2,379.5	\$ 2,379.5

Pre-Filing Date obligations allowable under current court orders and expected to be paid prior to an adopted plan or reorganization are classified as "liabilities not subject to compromise." Additional liabilities subject to compromise may arise due to the rejection of executory contracts or unexpired leases, or as a result of the allowance of contingent or disputed claims.

3. Other Balance Sheet Accounts

<i>(Dollars in millions)</i>	<i>October 31, 2003</i>	<i>Filing Date</i>
Accounts and other receivables, net		
Trade receivables, less allowance of \$0.9 (Filing Date - \$0.7)	\$ 119.9	\$ 32.3
Other receivables, less allowance of \$1.7 (Filing Date - \$2.1)	6.7	11.5
	\$ 126.6	\$ 43.8
Inventories		
Raw materials	\$ 16.8	\$ 20.3
In process	23.6	16.2
Finished products	66.9	63.8
General merchandise	11.2	9.6
Less: Adjustment of certain inventories to a last-in/first-out (LIFO) basis	(35.7)	(29.3)
	\$ 82.8	\$ 80.6
Other Assets		
Deferred pension costs	\$ 5.2	\$ 227.9
Deferred charges	29.9	40.4
Long-term receivables	7.8	1.9
Long-term investments	-	2.1
Patents, licenses and other intangible assets	17.8	25.2
Pension – unamortized prior service cost	26.4	8.1
Other assets	1.9	2.9
	\$ 89.0	\$ 308.5
Other Current Liabilities		
Accrued compensation	\$ 17.3	\$ --
Accrued commissions	5.6	--
Customer programs	14.1	--
Accrued utilities	0.1	--
Accrued freight	2.9	--
Other accrued liabilities	8.4	--
	\$ 48.4	\$ --
Other Liabilities		
Deferred royalty income–nonfiling entities	1.9	31.8
Pension – underfunded plans	201.0	--
Other accrued liabilities	1.2	--
	\$ 204.1	\$ 31.8
Liabilities Subject to Compromise		
Other postretirement benefits ...	\$ 136.5	\$ 185.4
Environmental remediation	243.3	164.8
Retained obligations of divested businesses	57.4	75.5
Special pension arrangements ..	76.3	70.8
Deferred compensation	5.2	8.2
Self insurance reserve	23.5	11.8
Other accrued liabilities	56.4	82.1
	\$ 598.6	\$ 598.6

4. Life Insurance

Grace is the beneficiary of life insurance policies on certain current and former employees with a net cash surrender value of \$89.2 million at October 31, 2003. The policies were acquired to fund various employee benefit programs and other long-term liabilities and are structured to provide cash flow (primarily tax-free) over an extended number of years. The following table summarizes the net cash value at October 31, 2003 and Filing Date:

Components of Net Cash Value	October 31, 2003	Filing Date
Gross cash value.....	\$ 471.6	\$ 453.7
Principal – policy loans	(365.3)	(390.3)
Accrued interest – policy loans....	(17.1)	0.7
Net cash value.....	\$ 89.2	\$ 64.1
Insurance benefits in force.....	\$ 2,210.7	\$2,286.0

Grace's financial statements display income statement activity and balance sheet amounts on a net basis, reflecting the contractual interdependency of policy assets and liabilities.

5. Debt

On October 31, 2003, and Filing Date, Grace's debt was as follows:

Components of Debt (Dollars in millions)	October 31, 2003	Filing Date
Debt payable within one year		
DIP facility	\$ -	\$ --
Other short-term borrowings	-	--
Debt payable after one year		
DIP facility	\$ -	\$ --
Other long-term borrowings	-	--
Debt Subject to Compromise		
Bank borrowings	\$ 500.0	\$ 500.0
8.0% Notes Due 2004	-	5.7
7.75% Notes Due 2002	-	2.0
Other borrowings	1.2	1.2
Accrued interest	47.2	2.6
	\$ 548.4	\$ 511.5

In April 2001, the Debtors entered into the DIP facility for a two-year term in the aggregate amount of \$250 million. The DIP facility is secured by a priority lien on substantially all assets of the Debtors, and bears interest based on LIBOR. The Debtors' have extended the term of the DIP facility

for up to an additional three years through April 1, 2006, and modified certain other provisions. Grace had no outstanding borrowings under the DIP facility as of October 31, 2003; however, \$25.8 million of standby letters of credit were issued and outstanding under the facility. The letters of credit, which reduce available funds under the facility, were issued mainly for trade-related matters such as performance bonds and certain insurance and environmental matters.

The 7.75% Notes were repaid on June 11, 2001, and the 8.0% Notes were repaid on August 15, 2001, by the unaffiliated guarantor of the Notes. Grace's liability with respect to these notes is included in other liabilities subject to compromise as of October 31, 2003.

Bank Statements

JPMorgan Chase Bank



Statement of Account

W. R. GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4091

TS

In US Dollars
Account No: 910-1-013572
Statement Start Date: 30 AUG 2003
Statement End Date: 30 SEP 2003
Statement Code: 000-USA-21
Statement No: 000
Page 1 of 4

TRANSACTIONS		BALANCES		ENCLOSURES	
Total Credits	2	245,000.00	Opening (30 AUG 2003)	Closing (30 SEP 2003)	
Total Debits (incl. checks)	21	211,035.44	Ledger	105,555.43	139,519.95
Total Checks Paid	0	0.00	Collected	105,555.43	139,519.95

Need to reconcile your accounts as soon as possible? Now you can download your CDA statements two business days after the statement cycle ends by receiving JPMorgan's Internet Statements. You'll find it easy to perform functions such as printing your statements, searching for particular transactions or displaying images of the front and back of your cancelled checks. Best of all, you can export statement data as a text or formatted Microsoft Excel file. Please contact your JPMorgan Relationship Manager for more information.

Trans Date	Am Ledger	Value	Description	Trans Date	Am Ledger	Value	Description
11SEP	11SEP	USD YOUR: CAP OF 03/09/11	120,000.00 BOOK TRANSFER CREDIT				
		OUR: 235430025400	E/D: W.R. GRACE AND COMPANY				
			CAMBRIDGE MA 02140-				
25SEP	25SEP	USD YOUR: TEC OF 03/09/25	125,000.00 BOOK TRANSFER CREDIT				
		OUR: 096270026838	E/D: W.R. GRACE AND COMPANY				
			CAMBRIDGE MA 02140-				
			REF: MONT				
02SEP	26AUG	26AUG USD OUR: 03245000936A	8,039.50 GOVERNMENT ALLOTMENT DEBITS				
			COVERING DRAFTS TO A/C NO.				
			002-2-416598 FOR WORK OF 09/29/03				
			W R GRACE & CO C/O CORPORATE				
			ACCOUNTING 7500 GRACE DRIVE				
			COLUMBIA MD 21044-4092				
03SEP	02SEP	02SEP USD OUR: 03246000939A	13,792.04 GOVERNMENT ALLOTMENT DEBIT				
			COVERING DRAFTS TO A/C NO.				
			002-2-416598 FOR WORK OF 09/02/03				
			W R GRACE & CO C/O CORPORATE				
			ACCOUNTING 7500 GRACE DRIVE				
			COLUMBIA MD 21044-4092				

FT CODE: USD - SAME DAY FUNDS US1 - ONE DAY FLOAT
USD - NEXT DAY FUNDS US2 - TWO DAY FLOAT US3 - THREE DAY FLOAT
US4 - FOUR DAY FLOAT US5 - FIVE DAY FLOAT
USM - MIXED FLOAT

PLEASE EXAMINE THIS STATEMENT OF ACCOUNT AT ONCE. THE MAINTENANCE OF THIS ACCOUNT IS SUBJECT TO THE PROVISIONS OF THE NEW YORK UNIFORM COMMERCIAL CODE AND THE BANK'S TERMS AND CONDITIONS FOR BUSINESS ACCOUNTS AND SERVICES. THE BANK DISCLAIMS RESPONSIBILITY FOR ANY ERROR IN OR IMPROPER CHARGE TO THE ACCOUNT AS RENDERED UNLESS INFORMED IN WRITING OF THIS ERROR OR CHARGE WITHIN SIXTY DAYS OF THE DELIVERY, MAILING OR AVAILABILITY OF THE STATEMENT AND CANCELED VOUCHERS. KINDLY REFER TO THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS STATEMENT IN ORDER TO DIRECT YOUR INQUIRIES TO THE PROPER DEPARTMENT FOR PROMPT ACTION.

JPMorgan Chase Bank

 JPMorganChase

Statement of Account

W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098

TS

In US Dollars
Account No: 910-1-013572
Statement Start Date: 30 AUG 2003
Statement End Date: 30 SEP 2003
Statement Code: 000-USA-21
Statement No: 009
Page 2 of 4

DEBITS CONTINUED				COLLECTED BALANCES
03SEP 03SEP	03SEP	USD CUR: 0324700092WA	7,237.73	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/03/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098
05SEP 04SEP	04SEP	USD CUR: 0324800097WA	9,768.88	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/04/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098
08SEP 05SEP	05SEP	USD CUR: 0325100092WA	9,423.43	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/05/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098
09SEP 06SEP	06SEP	USD CUR: 0326200096WA	14,805.81	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/06/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098
10SEP 09SEP	09SEP	USD CUR: 0325300089WA	11,021.87	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/09/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098
11SEP 10SEP	10SEP	USD CUR: 0325400095WA	11,576.52	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/10/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098
12SEP 11SEP	11SEP	USD CUR: 0325500093WA	9,125.40	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/11/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098
15SEP 12SEP	12SEP	USD CUR: 0325800091WA	11,182.68	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.

JPMorgan Chase Bank



Statement of Account

W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098

TS

In US Dollars
Account No: 010-1-013572
Statement Start Date: 30 AUG 2003
Statement End Date: 30 SEP 2003
Statement Code: 000-USA-21
Statement No: 009
Page 3 of 3

DEBITS CONTINUED				Closing Balances
Trans Date	Post Date	Amount	Description	Amount
16SEP 15SEP	15SEP	USD CUR: 0325900099NA	11,023.97 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/12/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
17SEP 16SEP	16SEP	USD CUR: 0326000099NA	9,099.18 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/15/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
18SEP 17SEP	17SEP	USD CUR: 0326100099NA	18,927.51 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/17/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
19SEP 18SEP	18SEP	USD CUR: 0326200099NA	5,050.03 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/18/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
22SEP 19SEP	19SEP	USD CUR: 0326500099NA	3,025.12 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/19/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
23SEP 22SEP	22SEP	USD CUR: 0326600099NA	10,424.67 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/22/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
24SEP 23SEP	23SEP	USD CUR: 0326700099NA	5,952.44 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/23/03 W R GRACE & CO C/O CORPORATE	

JPMorgan Chase Bank



Statement of Account

W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098

TS

In US Dollars
Account No.: 810-1-013572
Statement Start Date: 30 AUG 2003
Statement End Date: 30 SEP 2003
Statement Code: DDO-USA-21
Statement No.: 009
Page 4 of 4

Trans Date	Post Date	Value	Debit Description
DEBITS CONTINUED			
26SEP	24SEP	USD CUR: 0326800093MA	8,636.78 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/24/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098
26SEP	25SEP	USD CUR: 0326900096MA	13,454.66 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/25/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098
26SEP	26SEP	USD CUR: 0327200092MA	7,907.36 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/26/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098
30SEP	29SEP	USD CUR: 0327300095MA	11,569.77 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/29/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098

CHECKS

No activity



WACHOVIA

Commercial Checking

01 2199500021812 036 130

0 0 115,688

00045314 1 MB 0.309 02 MAAD 179

W R GRACE AND CO-CONN
GENERAL ACCOUNT
ATTN: PATTY ELLIOTT-GRAY
7500 GRACE DRIVE . BLDG 25
COLUMBIA, MD 21044-4098

CB

Commercial Checking

8/30/2003 thru 9/30/2003

Account number: 2199500021812
Account holder(s): W R GRACE AND CO-CONN
GENERAL ACCOUNT
Taxpayer ID Number: 135114230

Account Summary

Closing balance 8/30	\$12,698.14
Deposits and other credits	3,860,096.10
Other withdrawals and service fees	2,770,715.14
Closing balance 9/30	\$1,102,079.10

Deposits and Other Credits

Date	Amount	Description
9/02	2,781,446.08	DEPOSIT
9/29	38,709.04	DEPOSIT
9/29	1,039,940.98	DEPOSIT
Total	\$3,860,096.10	

Other Withdrawals and Service Fees

Date	Amount	Description
	17.00	AUTOMATED DEBIT HARLAND CHECKS CHK ORDERS CO. ID. 9500021440 030903 PPD MISC 058 03244004010
9/03	2,770,698.14	FUNDS TRANSFER (ADVICE 030903017125) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 09/03/03 12:07PM
Total	\$2,770,715.14	

Daily Balance Summary

<u>Dates</u>	<u>Amount</u>	<u>Dates</u>	<u>Amount</u>	<u>Dates</u>	<u>Amount</u>
9/02	2,794,144.22	9/03	23,429.08	9/29	1,102,079.10



WACHOVIA

WACHOVIA BANK, N.A.
PAID / RANGE RECONCILEMENT BALANCE SHEET

WR GRACE & CO.-CONN 153

ACCT NO.: 0001 2079900003615

ATTN: NELLIE FAUSTO
7500 GRACE DRIVE

COLUMBIA MD 21044-4098

RECONCILEMENT OF DEBITS**CUTOFF DATE: 09/30/2003**

CHECKS PAID ON RECONCILIATION REPORTS	38,887.33
MISCELLANEOUS DEBITS	+ 1,996,981.60
CREDIT ADJUSTMENTS	+ .00
MISCELLANEOUS ADJUSTMENTS	+/- .00
DEBIT ADJUSTMENTS	- .00
TOTAL DEBITS THIS RECONCILEMENT PERIOD	= 2,035,868.93
 TOTAL DEBITS FROM BANK STATEMENT	 2,035,868.93

**IF YOU HAVE ANY QUESTIONS, PLEASE
CONTACT COMMERCIAL CUSTOMER SERVICE AT 1-800-222-3862**

TEAM NO.: 153



WACHOVIA

Commercial Checking

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2079900003615 005 108

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27,198

W R GRACE & CO-CONN
62 WHITMORE AVE.
CAMBRIDGE MD 02140

CB 153

Commercial Checking

8/30/2003 thru 9/30/2003

Account number: 2079900003615
Account holder(s): W R GRACE & CO-CONN

Taxpayer ID Number: 133461988

Account Summary

<u>Opening balance 8/30</u>	<u>\$0.00</u>
<u>Deposits and other credits</u>	<u>2,035,868.93 +</u>
<u>Other withdrawals and service fees</u>	<u>2,035,868.93 -</u>
Closing balance 9/30	\$0.00

Deposits and Other Credits

Date	Amount	Description
9/02	4,738.34	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/03	2,995.40	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/04	2,079.62	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/04	5,189.49	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/08	3,365.06	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/10	2,611.39	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/11	4,181.40	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/11	306,865.51	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/12	660,779.81	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/15	4,753.83	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/16	6,221.34	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/17	3,525.80	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/18	4,168.77	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/19	2,129.13	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO

Deposits and Other Credits continued on next page.



Commercial Checking

WACHOVIA

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Deposits and Other Credits *continued*

Date	Amount	Description
9/22	394.65	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/24	1,193.70	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/25	3,532.18	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/25	319,939.01	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/26	49,280.69	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/26	636,216.45	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/29	5,819.99	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/30	5,887.37	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO

Total \$2,035,868.93

Other Withdrawals and Service Fees

Date	Amount	Description	
9/02	4,738.34	LIST OF DEBITS POSTED	
9/03	1,127.33	LIST OF DEBITS POSTED	
9/03	1,868.07	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030903 CCD MISC C4025-022291922	PMT IMPND
9/04	2,079.62	LIST OF DEBITS POSTED	
9/04	5,189.49	AUTOMATED DEBIT CO. ID. 030904 CCD MISC SETTL NCVCERIDN	PAYROLL
9/08	3,365.06	LIST OF DEBITS POSTED	
9/10	487.47	LIST OF DEBITS POSTED	
9/10	2,123.92	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030910 CCD MISC C4025-022317245	PMT IMPND
9/11	2,661.42	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030911 CCD MISC C2918-002322995	PMT IMPND
9/11	2,837.83	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030911 CCD MISC C2916-002322994	PMT IMPND
9/11	4,181.40	AUTOMATED DEBIT CO. ID. 030911 CCD MISC SETTL NCVCERIDN	PAYROLL

Other Withdrawals and Service Fees continued on next page



Commercial Checking

WACHOVIA

03

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12 160

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Other Withdrawals and Service Fees *continued*

Date	Amount	Description	
9/11	10,867.14	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030911 CCD MISC C4213-002323182	PMT IMPND
9/11	290,499.12	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030911 CCD MISC C4025-012323169	PMT IMPND
9/12	5,193.95	AUTOMATED DEBIT CO. ID. 030912 CCD MISC SETTL NCVCERIDN	PAYROLL
9/12	25,824.57	AUTOMATED DEBIT REMEDIUM GROUP, PAYROLL CO. ID. 030912 CCD MISC SETTL NCVCERIDN	
9/12	51,267.96	AUTOMATED DEBIT CO. ID. 030912 CCD MISC SETTL NCVCERIDN	PAYROLL
9/12	578,493.33	AUTOMATED DEBIT CO. ID. 030912 CCD MISC SETTL NCVCERIDN	PAYROLL
9/15	4,753.83	LIST OF DEBITS POSTED	
9/16	6,221.34	LIST OF DEBITS POSTED	
9/17	1,642.60	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030917 CCD MISC C4025-022355117	PMT IMPND
9/17	1,883.20	LIST OF DEBITS POSTED	
9/18	4,168.77	AUTOMATED DEBIT CO. ID. 030918 CCD MISC SETTL NCVCERIDN	PAYROLL
9/19	2,129.13	LIST OF DEBITS POSTED	
9/22	394.65	LIST OF DEBITS POSTED	
9/24	1,193.70	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030924 CCD MISC C4025-022378580	PMT IMPND
9/25	2,837.82	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030925 CCD MISC C2916-002384410	PMT IMPND
9/25	3,532.18	AUTOMATED DEBIT CO. ID. 030925 CCD MISC SETTL NCVCERIDN	PAYROLL
9/25	10,883.78	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030925 CCD MISC C4213-002384592	PMT IMPND
9/25	306,217.41	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030925 CCD MISC C4025-012384580	PMT IMPND
9/26	5,193.96	AUTOMATED DEBIT CO. ID. 030926 CCD MISC SETTL NCVCERIDN	PAYROLL

Other Withdrawals and Service Fees continued on next page.



Commercial Checking

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27,201

WACHOVIA

Other Withdrawals and Service Fees *continued*

<i>Date</i>	<i>Amount</i>	<i>Description</i>
9/26	6,868.88	AUTOMATED DEBIT BNF CTS PMT IMPND CO. ID. 1411902914 030926 CCD MISC C2918-002394007
9/26	25,952.23	AUTOMATED DEBIT REMEDIUM GROUP, PAYROLL CO. ID. 030926 CCD MISC SETTL NCVCERIDN
9/26	42,411.81	AUTOMATED DEBIT BNF CTS PMT IMPND CO. ID. 1411902914 030926 CCD MISC C4025-012394047
9/26	605.070.26	AUTOMATED DEBIT PAYROLL CO. ID. 030926 CCD MISC SETTL NCVCERIDN
9/29	5,819.99	LIST OF DEBITS POSTED
9/30	5,887.37	LIST OF DEBITS POSTED
Total	\$2,035,868.93	

Daily Balance Summary

<i>Dates</i>	<i>Amount</i>	<i>Dates</i>	<i>Amount</i>	<i>Dates</i>	<i>Amount</i>
9/02	0.00	9/12	0.00	9/22	0.00
9/03	0.00	9/15	0.00	9/24	0.00
9/04	0.00	9/16	0.00	9/25	0.00
9/08	0.00	9/17	0.00	9/26	0.00
9/10	0.00	9/18	0.00	9/29	0.00
9/11	0.00	9/19	0.00	9/30	0.00



Commercial Checking

WACHOVIA

05

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27,202

Customer Service Information

For questions about your statement or billing errors, contact us at:

**Business Checking, CheckCard & Loan Accounts
Commercial Checking & Loan Accounts
TDD (For the Hearing Impaired)**

Phone number

Address

WACHOVIA BANK, NATIONAL ASSOCIATION
NC8502
P O BOX 563966
CHARLOTTE NC 28262-3966

To Balance Your Account

1. Compare your account register to your account statement for unrecorded transactions (such as ATM, CheckCard, Interest earned, fees, etc.) Your new account register total should match the adjusted balance in line 6 below.

 2. Write in the closing balance shown on the front of account statement.
 3. Write in any deposits you have made since the date of this statement.

 4. Add together amounts listed above in steps 2 and 3.
 5. In the section to the right, list and total all checks and withdrawals that you have made that are not reported on your account statement. Write in the total here.

 6. Subtract the amount in line 5 from the amount in line 4. This is your adjusted balance and should match the balance in Step 1 above.

In Case of Errors or Questions About Your Electronic Transfers: Telephone us at 1-800-222-3862 or write to us at WACHOVIA BANK, NATIONAL ASSOCIATION, NC8502, P O BOX 563966, CHARLOTTE NC 28262-3966, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

1. Tell us your name and account number (if any).
 2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
 3. Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error. You will have use of the money during the time it takes us to complete our investigation.

BANK NO. 00000001 TEAM NO. 153		RECAP OF POSTED ITEMS REPORT		PAGE 1 DATE 09/30/03	
ACCOUNT NO. 2079900003615	WR GRACE & CO.-CONN	153		AS OF 09-30-03	
DATE	PAID CHECKS	ITEMS ISSUED	ITEMS PLACED	STOPS REMOVED	CANCELLED ITEMS
ITEMS	AMOUNT	ITEMS	AMOUNT	ITEMS	AMOUNT
09-02-03	3	4,738.34	.00	.88	.00
09-03-03	1	1,127.33	.00	.00	.00
09-04-03	1	2,079.62	.00	.00	.00
09-08-03	3	3,365.06	.00	.00	.00
09-10-03	1	487.47	.00	.00	.00
09-15-03	4	4,753.83	.00	.00	.00
09-16-03	5	6,221.34	.00	.00	.00
09-17-03	2	1,883.20	.00	.00	.00
09-19-03	1	2,129.13	.00	.00	.00
09-22-03	1	394.65	.00	.00	.00
09-29-03	5	5,819.99	.00	.00	.00
09-30-03	4	5,887.37	.00	.00	.00
TOTALS	31	38,887.33	.00	.00	.00

ACCOUNT RECONCILIATION PLAN

TYPE OF REPORT MISC-CREDITS		CUST/ACCOUNT # 1 2079900003615		PASTORER NAME MR GRACE & CO.-CONN		ATTN: NELLIE FAUSTO		DATE 09-30-03		PAGE 1
Check Number	Paid	Source Number	Paid	Source Number	Paid	Source Number	Paid	Source Number		
	4,738.34	090203								
	2,985.40	090203								
	2,079.62	090403								
	5,189.49	090403								
	3,365.06	090803								
	2,611.39	091003								
	4,181.40	091103								
	306,865.51	091103								
	660,779.81	091203								
	4,753.83	091503								
	6,221.34	091603								
	3,525.80	091703								
	4,168.77	091803								
	2,129.15	091903								
	394.65	092203								
	1,193.70	092403								
	3,532.18	092503								
	319,939.01	092503								
	636,216.45	092603								
	49,280.69	092803								
	5,819.99	092903								
	5,887.37	093003								
CREDITS		DEBITS								
2035,868.93	22	GT								

TYPE OF REPORT

- OUTSTANDING ITEMS ONLY ON THIS
- PAID ITEMS ONLY ON THIS REPORT
- PAID & OUTSTANDING CHECKS ON 30
- OFF-CYCLE REPORT ADVISORY

1 • CHECK AND THIS STATEMENT. NO CHARGE MADE. NOT ADDED TO TOTAL.
 2 • CHECK NUMBER. STATEMENT MATCHED. NOT ADDED.
 3 • CHECK PAYMENT PERIOD. STATEMENT MATCHED. NOT ADDED TO TOTAL.
 RESEND ITALY. NOT ADDED TO TOTAL.

4. STOP PAYMENT IN EFFECT; CHECK HAS NOT BEEN PRESENTED.
5. STOP PAYMENT IN EFFECT; CHECK PRESENTED AND RETURNED.
6. FORCED POSTED ITEM, DUPLICATE OR NO SERIAL #.

ACCOUNT RECONCILIATION PLAN

TYPE OF REPORT		CUST. ACCOUNT NO.		CUSTOMER NAME		TYPE	
MISC-DEBITS		1 2079500003615		VR GRACE & CO.-CONN ATTN: NELLIE FAUSTO		153 09-30-03	
CHECK NUMBER	Paid	DATE PAID	SEQUENCE NUMBER	STAMPS	DATE PAID	TYPE	SEQUENCE NUMBER
1411902914	1,868.07	09/03/03	65288472				
	5,189.49	09/03/03	32410419				
1411902914	2,123.92	09/10/03	3445104				
	4,181.80	09/10/03	32510733				
1411902914	2,661.42	09/10/03	46068892				
1411902914	10,867.14	09/10/03	46068894				
1411902914	2,837.83	09/10/03	46068891				
	250.495.12	09/10/03	46368988				
1411902914	5,193.95	09/12/03	32520641				
	25,824.57	09/12/03	32520641				
	578,493.33	09/12/03	32520641				
1411902914	1,267.96	09/12/03	32520641				
	1,642.60	09/17/03	04803773				
	4,168.77	09/19/03	32580610				
1411902914	1,193.70	09/24/03	73922810				
	3,532.16	09/26/03	32580753				
1411902914	306,217.41	09/26/03	85781958				
1411902914	10,883.78	09/26/03	85534083				
1411902914	2,837.82	09/26/03	85534061				
	605,070.26	09/26/03	32580789				
	25,952.23	09/26/03	32660789				
	5,193.96	09/26/03	32660789				
1411902914	6,868.88	09/26/03	97013931				
1411902914	42,411.81	09/26/03	97013932				
CRDITS	1996.981	09/26/03	24GT				

TYPE OF REPORT

- 1 OUTSTANDING ITEMS ONLY ON THE REPORT
- 2 CHECKS ONLY ON THE REPORT
- 3 CHECKS PAID - PREVIOUS PERIOD
- 4 CHECK PAID - THIS PERIOD. NO OUTSTANDING MASTERS RECEIVED.
- 5 CHECK PAID - THIS PERIOD. OUTSTANDING MASTERS REMOVED.
- 6 CHECK PAID - THIS PERIOD. OUTSTANDING MASTERS NOT ADDED TO TOTALS.
- 7 CHECK PAID - THIS PERIOD. OUTSTANDING MASTERS ON SAME REPORT
- 8 CHECK PAID ONLY
- 9 CHECK PAID & OUTSTANDING ITEMS CONSOLIDATED

EXPLANATION OF CODES

- 1 = STOP PAYMENT IN EFFECT. CHECK HAS NOT BEEN PRESENTED.
- 2 = STOP PAYMENT IN EFFECT. CHECK PRESENTED AND RETURNED.
- 3 = CHECK PAID - PREVIOUS PERIOD. OUTSTANDING MASTERS DULICATES OR NO SERIAL #.